

Message Text

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E.O. 11652: N/A
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SUBJECT: ACTU EXECUTIVE RESPONDS TO WAGE DECISION AND BUDGET

REF: MELBOURNE 1547

1. MEETING IN MELBOURNE AUGUST 16-20 18-MEMBER ACTU EXECUTIVE RESPONDED TO AUGUST 12 WAGE DECISION AND AUGUST 17 BUDGET WITH HARSH CRITICISM BUT NO THREATS OF IMMEDIATE MOVEMENT-WIDE INDUSTRIAL RETALIATION.
 2. EXECUTIVE ACCUSED ARBITRATION COMMISSION OF UNDERMINING PRINCIPLE OF WAGE INDEXATION BY ACCEPTING GOVERNMENT ARGUMENT THAT REDUCTION IN REAL WAGES NECESSARY TO STIMULATE ECONOMIC RECOVERY AND TO MOVE TOWARD FULL EMPLOYMENT. ANNOUNCING ACTU WOULD PRESS FOR 5 PERCENT ACROSS-THE-BOARD CATCH-UP INCREASE FOR 6 MILLION WORKERS AT NEXT WAGE HEARING SCHEDULED FOR NOVEMBER EXECUTIVE WARNED THAT IF ARBITRATION COMMISSION FAILED TO RETURN TO FULL INDEXATION IN NOVEMBER, IT WOULD CONSIDER WITHDRAWING ACTU SUPPORT FROM WAGE INDEXATION SYSTEM AT NEXT MEETING SCHEDULED FOR DECEMBER 6.
 3. SPEAKING ON NATIONAL TV FOLLOWING BUDGET PRESENTATION EVENING OF AUGUST 17 ACTU PRESIDENT HAWKE CHARACTERIZED BUDGET
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AS QTE SOCIALLY HEARTLESS AND ECONOMICALLY ABSURD END QTE

PRIMARILY BECAUSE IT DEPENDED FOR SUCCESS ON INCREASING AUSTRALIA'S ALREADY HIGH RATE OF UNEMPLOYMENT. SUBSEQUENTLY, ANNOUNCING EXECUTIVE RESOLUTION CONDEMNING BUDGET HAWKE SAID GOVERNMENT ECONOMIC STRATEGY WOULD LEAD TO UNEMPLOYMENT OF ABOUT 50,000 (CURRENTLY ALMOST 300,000) BY END OF 1976 WHEN SCHOOL LEAVERS BEGAN TO ENTER LABOR MARKET.

4. EXECUTIVE ALSO ENDORSED HIGHLY CONTROVERSIAL CAMPAIGNS FOR 35-HOUR WEEK IN VICTORIA ELECTRIC POWER INDUSTRY, FOR INDEX-SHATTERING 35 PERCENT ACROSS-THE-BOARD WAGE INCREASE IN OIL INDUSTRY AND FOR EMPLOYER PAID MEDIBANK LEVIES.

5. COMMENT: DOMINATED BY HAWKE AND OTHER MODERATES ACTU EXECUTIVE SUBJECTED ARBITRATION COMMISSION AND GOVERNMENT TO STRONG AND COLORFUL VERBAL ATTACKS BUT STOPPED WELL SHORT OF CALLING FOR MOVEMENT-WIDE INDUSTRIAL ACTION IN WAKE OF CONTROVERSIAL MEDIBANK STRIKE AND AT TIME WHEN RANK AND FILE PAINFULLY AWARE OF AND CONCERNED ABOUT SERIOUS AND INCREASING UNEMPLOYMENT. NEVERTHELESS, SUPPORT FOR CAMPAIGNS MENTIONED ABOVE DEFINITELY RELATED TO ACTU DISSATISFACTION WITH GOVERNMENT AND ECONOMIC POLICY AND CONSCIOUSLY INTENDED AS MEANS OF HAMPERING GOVERNMENT EFFORTS TO PROMOTE INVESTMENT-LED RECOVERY AT EXPENSE OF TRADE UNIONIST AND UNEMPLOYED. HARGROVE

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